

MEMORANDUM

November 24, 2008

TO: Management and Fiscal Policy Committee

FROM: Multi-Agency OPEB Work Group

SUBJECT: Update for December 1, 2008 MFP Committee Meeting

The purpose of this memorandum is to provide an update on County agency activities related to implementation of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). As previously noted, tax-supported agencies impacted by GASB45 and represented on this work group include: the County, Montgomery County Public Schools (MCPS), Montgomery College (College), and the Montgomery County portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC); the Washington Suburban Sanitary Commission (WSSC) is the only non tax-supported agency participating in the work group.

Information included in this status update addresses the following five areas, as requested by Council staff:

1. Status of Retiree Health Benefit (OPEB) trusts;
2. Status of communication plans;
3. Status of options for limiting liability;
4. Status of actuarial valuations; and
5. Lessons to date from the experience of other jurisdictions.

The current status and recent activities are presented below for each area.

Status Report

1. Status of Retiree Health Benefit (OPEB) Trusts

All OPEB trusts have been established. Since the November 26, 2007 update, the County and the College completed implementation of their trusts.

The County's trust was established through Bill No. 28-07, effective April 10, 2008, which amended Chapter 33 of the Montgomery County Code to add Article XI, Other Post Employment Benefit Trust. Under this section, the Board of Investment Trustees is responsible for managing the assets of the OPEB trust.

On June 18, 2008, the College established an irrevocable trust agreement with U.S. Bank, National Association, (serving as Trustee/Custodian), with PFM Asset Management LLC, serving as Trust Administrator/Advisor. The Montgomery College Board of Trustees (listed below) is a co-trustee of the Trust and possesses oversight responsibility concerning certain policies and procedures related to the operation and administration of the Trust. In May, 2008, an Investment Policy Statement governing the OPEB Trust for the College was adopted by resolution and signed by President Dr. Brian Johnson.

MCPS's trust was established effective July 1, 2007 and was funded in September 2007 with the initial contribution. The members of the Board of Investment Trustees for the Montgomery County Employee Retirement Plans were appointed as the Board of Investment Trustees for the Other Post Employment Benefits (OPEB) Trust fund as well. This group meets quarterly to review the investment management of the assets. MCPS filed for a private letter ruling from the Internal Revenue Service in September 2008 and is awaiting response.

For the four agencies (all except the College) whose trust funds were established earlier in FY08, the prefunding contributions included in the FY08 appropriations/budgets were deposited into the trusts during FY08. For the College, initial contributions of approximately \$25 million were deposited with the trustee for FY08. This amount included both the budgeted FY08 prefunding amount, and the funds that had previously been accrued from the early 1990's under a Financial Accounting Standards Board (FASB) standard. These previously accrued funds, which were the subject of Council discussions and support several years ago, have the impact of reducing the College's current annual required contributions.

FY09 contributions have also been made to the trusts by MCPS, M-NCPPC, and WSSC. The County is depositing contributions to its trust on a quarterly basis; the first quarter's contribution has been made, and the second quarter is scheduled for mid-December. The College's FY09 contribution will also be made during the current fiscal year.

One issue noted in our last report was the inclusion of reversionary language in the trust documents. Reversionary language would address, in the event of plan termination, what would happen to any residual trust assets after all plan benefits and expenses were paid out. A situation under which this might occur is if national health care was established, eliminating the need for individual employer plans. All trust documents now contain reversionary language.

Since all trusts have now been established, the Work Group would anticipate that future reports would not include this topic.

2. Status of Communication Plans

As of our last report, a County website, accessible from the Finance department home page, had been created which included frequently asked questions, actuarial valuations, financial impact information, multi-agency status reports to the MFP Committee, and County Council packets and resolutions. Since that time, to enhance transparency, the County's internet site has been expanded – the Board of Investment Trustees' website was updated to include information on the investment program for the Retiree Health Benefits Trust. The Finance webpage includes links to all information, including information maintained by the Board. Links to the Finance central home page have also been established from the Office of Human Resources HR Resource Library and from the Office of Management and Budget home page, to help ensure consistency and accessibility in the information provided.

MCPS has established a link to the County website on its Employee and Retiree Service Center, Retirement Planning webpage. The College has also established an Other Post Employment Benefit Page on its Human Resource website, with applicable links to the County's website. The M-NCPPC website is under development, and WSSC is in the evaluation stage.

For the status of specific agencies' website progress, and copies of the main OPEB web pages, see Attachment 1.

Other communications with retirees have also taken place. For example, the County has been meeting with retiree groups; MCPS has been including articles in Employee "For Your Benefit" and in Retirees Association newsletters. The College is sending a separate mailing with the annual notification of retiree rates informing them of the new retiree web site and the information that can be found on the web-site, including post-retirement benefit information. M-NCPPC plans to implement additional communications following the close of open enrollment which wraps up at the end of November. WSSC has met with the Retirees Association and briefed them on OPEB.

Agency representatives will be available at the December 1st MFP Committee meeting to address any questions on this topic.

3. Status of Options for Limiting Liability

A variety of initiatives have been, and are being, pursued by county agencies – both joint and agency specific - to identify and address opportunities to limit OPEB liabilities. For the last several years, the benefit managers from each of the agencies have met to share information about the challenges and obstacles they face. In recent months, there have been changes to benefit management leadership at three of the County agencies.

Montgomery County Public Schools (MCPS) and the Washington Suburban Sanitary Commission (WSSC) each hired a benefit manager from outside their respective organizations. Richard Johnstone assumed the role of director of Benefits Strategy and Vendor Relations with MCPS in July, and Carole Silberhorn took over as Benefit Manager at WSSC this fall. They bring a fresh, outside perspective to county agency operations, and are valuable additions to the joint agency benefits team.

While limiting liabilities may sound innocuous, in many respects it boils down to either reducing benefits or requiring retirees to pay a larger portion of their benefit cost. Both are difficult to accomplish, even in the best of times. Each county agency has attempted over the years to meet the needs of its retirees while pursuing opportunities to reduce cost. The agencies have collaborated on multiple joint bid efforts and the results of those joint bid efforts have served to lower increases in the medical and prescription drug arena that otherwise would have been paid by the plans.

Agency Specific Initiatives:

- A few years ago, MCPS began requiring retirees to pay 36% of their health care costs, and amended their prescription drug plan by offering retirees the option to choose between two three tier co-pay prescription drug plans. One is a lower co-pay higher premium plan, while the other is a higher co-pay, lower premium plan. Both plans feature mandatory generic and mandatory mail order provisions, and require a retiree to pay double the retail co-pay to get a 90 day supply at the mail order pharmacy.
- A Joint Employee Benefits Committee (JEBC) at MCPS that includes membership from management, the four labor groups, and the retiree association meets every other month to review and discuss matters of benefit concern and to pursue cost savings opportunities. The JEBC is in the process of surveying all covered employees and retirees to determine their level of satisfaction with the plans, cost sharing, and service in general. The results of that survey will provide a springboard for further discussions. MCPS will be negotiating benefits with its three employee associations during FY 10 as current contracts expire on June 30, 2010.

- The County Government recently sought to amend its prescription drug cost share for active and retired employees by limiting the employer contribution to the high option prescription drug plan to the percentage it pays for the standard option prescription drug plan. During budget deliberations this past spring, the County Council expressed concern that the additional cost could present a hardship for retirees and recommended that the County phase in the higher premium for the high option prescription plan over a three year period. In 2009, retirees will pay 1/3 of the increased cost, while active employees pay the full difference between the standard and high option prescription plan cost.
- In union negotiations last winter, MCGEO, FOP, IAFF, and the County Government agreed to form a “Post-Employment Group Insurance Committee” for the purpose of studying insurance cost savings measures regarding post-employment group insurance, including eligibility, premium share and coverage. The Committee is currently engaged in data collection and analysis and is scheduled to convene in January. The Committee has a September 2009 target for completing its work.
- The College has a long established Benefits Review Committee (BRC) with representation from faculty, bargaining and non-bargaining staff, and administration. Each year the plans are reviewed and cost savings opportunities are discussed. There have been discussions surrounding the age and service requirements for retiree insurance eligibility and this will be further analyzed. The College, in conjunction with the BRC, will be conducting a full review of the entire benefits package over the next six months. Any recommendations for change would be considered for a January 1, 2010 implementation.

The benefit managers for the five county agencies will continue to meet and collaborate during 2009, and will pursue one or more joint bid opportunities.

4. Status of Actuarial Valuations

As of the date of this report, actuarial valuations as of July 1 (or June 30), 2008, which are used for the FY10 budget, are complete for M-NCPPC and the College. WSSC, as noted previously, will not be having an updated valuation prepared for the current year, as allowed for in the GASB standards. The valuation for MCPS has just recently been finalized, and is expected to be provided shortly for purposes of preparing the updated eight-year multi-agency phase-in analysis. The preliminary analysis for the County has been prepared, but the County is currently working with its actuary to resolve issues impacting the valuation, and anticipate that the valuation will be finalized during the first part of December.

Once all valuations have been finalized and the multi-agency phase-in analysis is prepared and reviewed, it can be provided to the Committee.

As the Committee may recall, the WSSC Commissioners, by resolution, elected in May 2007 to use a 5 year phase-in period for OPEB prefunding. So while the tax-supported agencies' budgets for FY09 were based on a revised 8 year phase-in, the FY09 WSSC approved budget includes OPEB funding based on the 5 year phase-in.

As part of a continuous improvement process and to incorporate lessons learned by us and by others, the Work Group has, during this past year, performed a due diligence reevaluation of the processes and assumptions used in the multi-year phase-in analysis. This was an ongoing process, and included the four actuarial firms that work with the County agencies and the Council.

Several key conclusions that resulted from that process are provided below:

- **Timing** – The Work Group addressed the timing of when updated actuarial valuation data would be available, and how that timeframe would relate to the Fiscal Plan and Recommended Budget processes.

For Fiscal Plan purposes in September, that fiscal year's phase-in number from the most recent OPEB 8 year display (multi-year phase-in analysis) would be used. The Work Group addressed a goal for the agencies to obtain draft actuarial valuations by mid to late October, in order to have that information available for recommended budget processes. These valuations would be shared in draft format with the Work Group to provide the opportunity to ensure any agreed-to changes across agencies have been implemented, and to identify any significant changes in key assumptions between agencies. Valuations would then be finalized and the multi-agency fiscal projections prepared, in early November, again providing members of the Work Group and their actuaries the opportunity for review before that is finalized. Updated numbers would then be available both for agencies' recommended budgets and for tax-supported projection purposes.

This timing discussed above is an aggressive goal, as the agencies and their actuaries are still working through complex implementation issues that directly impact the actuarial valuations. The Work Group and our agencies will continue to work in the future toward achieving this timeframe.

- **Assumptions and Methodologies** – The Work Group addressed several key assumptions and methodologies which impact both the current year phase-in numbers, and the calculations of future phase-in contributions.
 - Amortization Period – The Work Group specifically addressed whether the amortization period used in the actuarial valuations should be a 30 year “open” or “closed” period. A “closed” amortization period essentially means that as part of the annual required contribution (ARC) calculations, the unfunded actuarial liability is amortized, or spread out over a declining period of time. For example, in the first year, the amount would be spread over 30 years, next year the amount would be spread over 29 years, then 28 years, etc. This is very similar in concept to a mortgage, where a beginning liability is paid off over time.

An “open” amortization period essentially means that each year, the amortization period resets to 30 years, and the new balance is now amortized over another 30 years. Under this method, conceptually, liabilities may not be paid off since there is never an end to the amortization period. For this reason, the closed period is often used for actuarial valuation purposes, and therefore for accounting and financial reporting purposes, to ensure that liabilities are being paid off over time. This also means that the closed amortization period will result in a higher ARC.

The majority of Work Group members, both agency finance personnel and actuaries, felt that the use of the closed method during the phase-in years – as it would typically be used for valuation, accounting, and financial reporting purposes - would provide for a more sound fiscal approach to managing the OPEB liabilities. This is because while we are building up liabilities on our financial statements (the portion of the ARC each year that we are not contributing), we are at least paying towards the interest and perhaps some principal on those liabilities. However, given the current fiscal situation, and since we are still ramping up to the full ARC, the Work Group agreed that each tax-supported agency would use the open method in its actuarial valuation, thus resulting in a lower annual required contribution. WSSC’s valuation from last year also uses a 30 year open period. If the fiscal situation significantly improves later during the phase-in period, that decision would be revisited.

The amortization period was the only area discussed that had an impact (downward) on the current year phase-in contributions; it also has an impact on amounts projected for future phase-in contributions. The remaining two areas discussed only impact the future phase-in amounts.

- Use of Actuarial Projections Rather than 5% Estimates in Displays for Future Phase-in Years – The Work Group discussed and determined that it would be more appropriate and precise to use key actuarial assumptions in the calculation of *future year* projections. This had no effect on the annual actuarial valuations, and the annual calculations for budget purposes.

In the past, the future years' phase-in numbers have been based on a projection process that relies in large part on a general 5% increase assumption. That is, a 5% increase has been applied to many components of the calculation, similar to when a general 5% assumption may be built into future spending increases for planning purposes. This did not take into account, for example, that the valuation assumes closer to an 8% long-term rate of return on investments, and that medical cost trends may range from 10 decreasing down to 5% over the long-term.

The Work Group, in conjunction with the actuaries, determined that it would be most appropriate to utilize an actuarial projection that takes into account the assumptions in the actuarial valuations in the future years' projections. This will help make the future year projections of the phase-in contributions more accurate, based on current data. It will also have no impact on the amounts actually budgeted each year for the phase-in contributions, since each year's budget is based on an actual calculation for that year from the latest actuarial valuation, including normal increases in retiree health care pay-go costs.

- Use of Each Year's ARC Rather Than an "Even Ramp Up" to the FY15 ARC When Calculating the Pre-Funding Amount for Future Years – Similar to the item above, this item only affects the calculation of *future year* projections. In the past, the approach to calculating the additional contribution (which the phase-in amount is based upon), was to look at the additional contribution required in the year we begin fully funding the ARC (now 2015), and then to generally ramp up to that amount evenly over the intervening years. This is a different method than is used for the annual budget process, which calculates each year's prefunding (i.e., 3/8^{ths}, 4/8^{ths}, etc.) based on that year's actuarial calculation.

The Work Group agreed that it would provide a more accurate presentation to base each year's projected phase-in amount on that year's projected ARC, rather than to ramp up in equal increments to the ultimate ARC over time. Again, this change in display for future year's phase-in amounts will have no impact on the amounts actually budgeted each year.

The Work Group believes the efforts described, discussed and implemented in conjunction with the actuaries, will help provide the basis for more consistent reporting across agencies, and for reporting of projections based on methods better aligned with the actual budgetary calculations.

It should also be noted that the GASB accounting and reporting standards have now been implemented by all agencies. The standards were effective for, and implemented by, the County, MCPS, the College, and WSSC for FY08. M-NCPPC implemented the trust-related standards in FY07 (since it already had a formal trust established), and the employer-related standards in FY08..

5. Lessons to Date from the Experience of Other Jurisdictions

The agencies in the Work Group continue to utilize information and experiences of others in our Retiree Health Benefits implementation efforts. This information is gathered through publicly available information, such as websites and publications from industry, consulting, and actuarial firms. We also incorporate information gathered from relationships with other government professionals and other jurisdictions. Information may also be proactively shared with us during the year by our actuaries, auditors, and other consultants.

During the year, information identified from these processes was used in the determination to extend the phase-in period to 8 years, in our accounting and financial reporting efforts, and in discussions over options for limiting liabilities.

As a Work Group, our impression from information available through the resources described above is that the experiences of other jurisdictions, and lessons that can be learned from them, have not significantly changed during the last year. We will continue to take advantage of such resources in our evaluation and decision making processes.

The Work Group appreciates this opportunity to keep the MFP Committee apprised of agency progress towards OPEB implementation, and to provide information on related topics of interest to the Committee. Representatives from each agency and several of the actuarial firms will be present at the December 1, 2008, MFP Committee meeting to answer questions about the material provided.

Attachments

AGENCY OPEB WEBSITE STATUS

Communications	MC Govt	MC College	M-NCPPC	MCPS	WSSC
Website	Available by accessing Finance, OHR and OMB sites	A retiree website is now live. Separate tab at the top titled "Other post employment benefits"	Under construction.	Linked to County from Employee & Retiree Service Center Retirement Planning section	Under evaluation
Website Address	http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/finance/opeb.asp	http://www.montgomerycollege.edu/ohr/retirees/	Not available. Intend to modify slightly the materials presented by MC Government.	http://www.montgomeryschoolsmd.org/departments/ersc/retirement_planning.shtm	
Links will be available to the County Council documents	Yes	Yes	Yes	Yes	



Retiree Health Benefits / Other Post-Employment Benefits (OPEB)

Compliance with GASB 45 and OPEB Accounting Requirements – Retiree Health Benefits Funding and Reporting

Commitment Montgomery County is committed to providing a comprehensive benefits program for its employees – both during their active work years and in retirement. It is also committed to setting aside funds now to pay those benefits in the future.

Accountability A change in governmental accounting rules now requires the County to report how much it will cost each year to provide not just pension payments, but also health, life insurance, and other benefits in retirement for eligible employees. In addition to reporting the amount of the liability, the County is creating a Trust Fund to set aside and invest the money to pay those costs.

Challenges The County operates with significant competition for limited resources and must balance the budget needs of our growing community with our commitment to provide comprehensive benefits to both our active employees and retirees. While we cannot guarantee there will never be changes to our benefits offering, we can promise an honest and transparent dialogue and partnership with our employees and retirees to identify solutions to meet the budget challenges we are sure to face.

- [OPEB FAQs](#)
- [Status Reports to the County Council](#)
- [Financial Impact Information](#)
- [County Council Packets and Resolutions](#)
- [Actuarial Valuations](#)
- [Investment Program – Board of Investment Trustees](#)

Overview

County employees are compensated in a variety of ways in exchange for their services. In addition to a salary, employees may become eligible for retirement benefits (pension) and other health benefits such as medical care, dental, vision, and life coverage. For more than 50 years, the County has set aside monies and invested them in a special retirement Trust (also known as the “Pension Trust Fund”) to be available to pay pension payments to retirees. However, until just this past year, the monies for retiree health benefits (also known as other post employment benefits or OPEB) have not been set aside – they were paid out of each year’s annual operating budget.

To ensure that funding is available in the future for these important benefits, and to comply with changes in governmental accounting requirements, the County has taken the first step towards retiree health benefits funding and reporting – the County has estimated its retiree health benefits costs, and has reported the outstanding liability in its financial report.

Beginning in this budget year (Fiscal Year 2008), the County is setting aside monies in a trust fund that will be administered by the County’s Board of Investment Trustees, which also oversees the Pension Trust Fund. The Board of Investment Trustees will construct a prudent investment program to ensure that we move toward our goal of ensuring that there will be enough funds available to pay future post retirement health benefits. These are the same steps that were taken years ago to ensure future funding of retiree pension costs.

Contents

The materials contained on these web pages are primarily the results of a Multi-Agency Retiree Health Benefits (OPEB) Work Group that has been meeting over the past four years on this topic, as well as the public record on this topic in the form of Council review packets on this and related subjects.

The Work Group has worked collaboratively to update actuarial valuations, which include amounts consistent with the phase-in approach, described below, in the respective agency budgets, and to establish Retiree Health Benefits (OPEB) Trusts.

Current Budget Plan

Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to what we have been doing for retiree pension benefits for more than 50 years. The reasons for doing this are

simple: due to exponential growth in expected retiree health costs, the cost of funding these benefits, which are currently paid out as the bills come due, may soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which will be invested in a similar manner as the Pension Trust Fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

During the Fiscal Year 2008 budget process, the County Executive recommended, and the County Council approved, a resolution calling for a five-year phase-in to the full annual pre-funding level required to fund our OPEB obligations. However, in developing the FY09 budget, and facing a \$401 million budget gap, the County Executive had to make some tough choices. While committed to addressing the unfunded Retiree Health Benefit liability, the Executive determined that we could not afford, in current fiscal circumstances, the previous five-year phase-in plan. The FY09 budget calls instead for an eight-year phase-in, or seven additional years after taking into account the funding already set aside in FY08.

Establishment of Retiree Health Benefits (OPEB) Trust

The County Council has recently adopted legislation that establishes a Retiree Health Benefits (OPEB) Trust. The FY08 budget amounts approved by the County Council have been set aside and will be deposited into the Trust, along with monies approved in FY09 and later years. The funds in the Trust will be invested in a similar manner as the County's pension plan, with the amount growing over time and available in the future to pay the cost of retiree health benefits. The out year or future costs are reflected in our fiscal planning documents. As the County faces the inevitable budget pressures in future years, our challenge will be to stick to our current funding plan.

An additional challenge comes with regards to any future promises made to retirees. Going forward, the future costs of current benefit levels are fully disclosed in our financial statements. Combined with an expectation that these benefits be funded, our challenges will be to carefully evaluate and plan for the cost impacts of any future benefit changes. The Retiree Health Benefits (OPEB) work contained herein has provided us with the tools that will allow us to fully analyze and consider any future cost implications.

EMPLOYEE & RETIREE SERVICE CENTER (ERSC)

MOST REQUESTED

- > ePaystub
- > 457(b) and 403(b) Information
- > Summer Pay Enrollment
- > Open Enrollment
- > Active Employee Benefits and Forms
- > Change in Personal Status
- > Employment and Salary Verification
- > Retirement Planning

CONTACT US TOOLS & RESOURCES

- > Pay Dates
- > Calendars
- > Salary Schedules
- > MCT Credit Union
- > Staff Development
- > Tuition Reimbursement
- > Special Tax Info for Educators

INFORMATION

- > Timekeepers
- > Payroll Reporting Procedures for Emergency Leave
- > Policies
- > Other Links
- > Forms
- > Work Schedules
- > MCPS Employees Retirement and Pension Trust

HUMAN RESOURCES

- > Classification
- > Teacher Certification
- > Teacher Recruitment Calendar
- > Job Opportunities
- > How To Apply
- > Employee Assistance

UNION CONTRACTS

- > MCEA Teachers
- > SEIU Support
- > MCAASP Administrators
- > MCBOA Noncertificated Supervisors

EMPLOYEE AND RETIREE SERVICE CENTER > RETIREMENT PLANNING

Retirement Planning

Montgomery County Public Schools (MCPS) is providing pension eligible employees with their MCPS personal statement of core (if applicable) and supplemental pension benefits. MCPS is the only school district in the state of Maryland to provide a supplemental pension benefit.

Retirement statements will be sent to pension eligible staff in September 2008. The personal retirement statement will be mailed to the employee's home address (currently on file with MCPS). The information contained in the personal retirement statement is through June 30, 2008.

Employees that receive their core pension from MCPS will receive a green statement. Employees that receive their core pension from the State of Maryland will receive a blue statement. Sample statements are included below.

Sample Statements:

- [Core pension from MCPS](#)
- [Core pension from the State of Maryland](#)

Publications:

[Understanding Your Retirement Statement](#)- A publication that provides detailed explanations about information contained in the retirement statement.

[Understanding Your Retirement](#)- A booklet created to guide you through the retirement process.

Questions:

[Questions about the Retirement Statements](#)

If you have additional questions about your MCPS core or supplemental pension statement please direct all questions in writing to the **Employee and Retiree Service Center, 7361 Calhoun Place, Ste. 190, Rockville, MD 20855**. Please include a copy of page 2 of the retirement statement with your inquiry. Receipt of your inquiry will be acknowledged with a confirmation notice and expected response date.

For additional questions about your state core pension, please contact the State Retirement and Pension System of Maryland. They can be reached at 1-800-492-5909 or via their Web site at <http://www.sra.state.md.us>.

The State Retirement and Pension System of Maryland publication [The Mentor](#) provides information on SRA-sponsored pre-retirement seminars and a retirement checklist for members within 12 months of retirement. Additionally, the SRA publishes a bi-annual publication [Retiree News and Notes](#) that provides helpful information for "soon-to-be" and current retirees.

Retirement Workshops:

If you are thinking about retiring in 2009, you should plan to attend one of the ERSC-sponsored [workshops](#).

Retirement Estimate:

MCPS Core and Supplemental Benefit Estimate

- [Request for Estimate of Retirement Benefits](#) (90K)
- [State Core Benefit Estimate](#)
- [Request for Estimate of Retirement Benefits](#) (88K)

Designation of Beneficiary/Beneficiaries

- [Update Beneficiary/Beneficiaries](#)

Information regarding Other Post Employment Benefits (OPEB)

- <http://www.montgomerycountymd.gov/mcqtmpl.asp?url=/content/finance/opeb.asp>

Retirement Calculators--Sites to help you plan for retirement!

- www.ssa.gov/OACT/ANYPIA

The official Web site of the Social Security Administration

OHR HOME	HOME	SOCIAL SECURITY	MEDICARE PART D INFORMATION	OTHER POST EMPLOYMENT BENEFITS	CONTACT US
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Retiree Benefit Information

Retiree Health Benefits/Other Post-Employment Benefits (OPEB)	Links
<p>Compliance with GASB 45 and OPEB Accounting Requirements –Retiree Health Benefits Funding and Reporting</p> <p>Commitment Montgomery College is committed to providing a comprehensive benefits program for its employees – both during their active work years and in retirement. It is also committed to setting aside funds now to pay those benefits in the future.</p> <p>Accountability A change in governmental accounting rules now requires the College to report how much it will cost each year to provide not just pension payments, but also health, life insurance, and other benefits in retirement for eligible employees. In addition to reporting the amount of the liability, the College has created a trust to set aside and invest the money to pay those costs. The College previously had been voluntarily abiding by an accounting standard that required a recognition of the liability and chose to set aside funds for these benefits.</p> <p>Challenges The College operates with significant competition for limited resources and must balance the budget needs of our growing community with our commitment to provide comprehensive benefits to both our active employees and retirees. While we cannot guarantee there will never be changes to our benefits offering, we can promise an honest and transparent dialogue and partnership with our employees and retirees to identify solutions to meet the budget challenges we are sure to face.</p>	<ul style="list-style-type: none"> ■ Overview of Retiree Health Benefits Funding and Reporting ■ OPEB FAQs ■ Status Reports to the County Council ■ Financial Impact Information ■ County Council Packets and Resolutions ■ Actuarial Valuations <p>Some of these links are provided by Montgomery County Government. The information is relevant and does apply to the College as well.</p>